

Responsible Procurement policy

Foreword

Going forward the Arriva Group will pursue a responsible procurement policy for the benefit of its customers and employees alike. We will do this through diligent selection and collaboration with our suppliers and extended supply chain as an integral part of doing business. In this pursuit we will seek to not only comply with global standards but to find ways in which we can excel in this activity.



James Allen

Asset Management Director

12 Dicembre 2016

Introduction

Arriva is one of the largest transport services organisations in Europe, employing 56,000 people and delivering more than 2.2 billion passenger journeys across 14 European countries every year. As part of the Deutsche Bahn Group, one of the world's leading passenger and logistics service providers, Arriva is responsible for regional passenger transport growth outside of Germany.

The Arriva Group is dedicated to sustainability. Arriva, as a member of the Deutsche Bahn Group, is a member of the United Nations Global Compact network, and we believe that commercial success and socially responsible actions are interdependent. We see sustainable and responsible conduct as an important foundation in relation to business dealings with our business partners.

Our expectations

We have implemented a *Code of Conduct for Business Partners*, and expect our business partners to implement and comply with it across all of their operations. We also expect our suppliers to engage with their supply chain to ensure they also meet the principles of this policy in relation to any activity that is ultimately part of the Arriva Group's supply chain. We will assist our suppliers in achieving this.

All Deutsche Bahn companies are committed to our DB2020 strategy, which outlines the Deutsche Bahn Group's goals for social, economic and environmental performance. At Arriva we implement this through '*the Arriva way*', the *Code of Conduct for Business Partners* and this *Responsible Procurement Policy*.

This *Responsible Procurement Policy* sets out our expectations of suppliers and supply chains within our sphere of influence. It acts as guidance for internal buyers and specifiers, and for current and prospective suppliers and subcontractors.

What we mean by Responsible Procurement

Responsible Procurement is the management of environmental, social and economic impacts, and the encouragement of good governance practices, throughout the lifecycle of goods and services. This includes health, safety, environmental and ethical issues, as well as labour practices.

Our aim is that the principles of Responsible Procurement are intrinsic to all our sourcing processes, including supplier selection and relationship development, and help us make informed and balanced decisions about the products and services we buy.

Minimum standards

All business partners and suppliers will as a minimum requirement comply both with the principles laid out in this Policy, which follow the United Nations Global Compact's ten principles, and the applicable laws in the countries in which they operate.

We believe that compliance with these ten principles is required for a responsible supply chain. These are:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source: <https://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

Implementation

This Policy will be used as the foundation for our relationships with business partners. We will include this Policy in our tenders, and when offering and awarding business to suppliers. This Policy will be integrated into supplier contracts.

We will engage with our suppliers to encourage continuous improvement in performance and measure progress. Suppliers' performance against the principles of this Policy will be reviewed at regularly scheduled business meetings, complemented by supply chain risk assessments.

We will monitor compliance with this Policy and reserve the right to visit suppliers' and subcontractors' facilities to audit performance. Further, we reserve the right to monitor any tier of our supply chain. Equally, and where necessary, we will work with suppliers to create a corrective action plan for achieving compliance in clearly defined and reasonable timeframes. If non-compliance is deemed serious we reserve the right to apply sanctions, which can include immediate termination of our business relationship as further set out in relevant contracts.

Responsibilities

Implementation of this Policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors. This policy will be reviewed periodically and amended as necessary by the Group Procurement Programme Manager. The Group Procurement Director is ultimately responsible for this Policy.

References

- *Arriva Code of Conduct for Business Partners*
- *UN Global Compact* – <https://www.unglobalcompact.org> and <https://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>
- Arriva – http://www.arriva.co.uk/about_arriva.aspx
- Deutsche Bahn DB2020 strategy - <http://www.deutschebahn.com/en/sustainability/overview/vision.html> and http://www1.deutschebahn.com/ecm2-db-en/ar_2012/businessunits.html

Annexure

What is the UN Global Compact?

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- the Universal Declaration of Human Rights;
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- the Rio Declaration on Environment and Development; and
- the United Nations Convention Against Corruption.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

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Why is responsible procurement important?

There are numerous reasons why companies start this journey. Primary among them is to ensure compliance with laws and regulations and to adhere to, and support, international principles for sustainable business conduct. In addition, companies are increasingly taking actions that result in better social, economic and environmental impacts

because society expects this and because there are business benefits to doing so. By managing and seeking to improve environmental, social and economic performance and good governance throughout supply chains, companies act in their own interests, the interests of their stakeholders and the interests of society at large.

Source: adapted from *Supply Chain Sustainability: A Practical Guide*, 2010, UN Global Compact Office and Business for Social Responsibility.